Welcome

J. Michael Gower
Executive Vice President and Chief Financial Officer
University Treasurer
Housekeeping

Everyone has been placed on mute by the host.

We will address questions at the end of each presentation.

If you have questions for the presenters, use the Q&A function.

If you want to talk with other participants, please use the chat.
Today's Agenda

MAIN TOPICS

Welcome
FY21 Revised Budget and Implications
Discretionary Spending
Cornerstone Portfolio Update
Close
FY 2021

BUDGET OVERVIEW

David Moore
Assistant Vice President and Chief Budget Officer
FY 2021 Revised Budget
FY 2021 Budget Development – Road Map

FY 2019 Closed
June 30 - 2019

FY 2020 Opened
July 1 - 2019

Develop FY 2021

FY 2020 Q2 Forecast
December 31 - 2019

FY 2021 Budget

Looking Ahead

March - 2020
• Pre-COVID Budget

April - 2020
• State Appropriations Freeze FY 2020 – 50% of last four months

October - 2020
• FY 2021 Budget Approved

Looking Ahead

FY 2020 Q2 Forecast
December 31 - 2019

FY 2021 Budget

Looking Ahead

FY 2021 Budget

Looking Ahead

FY 2021 Budget

Looking Ahead

FY 2021 Budget

Looking Ahead
Revenue Review: Positive Trend

- **FY 2019 Actual**: $4.43 Billion (80.1% State Operating, 19.9% State Paid Fringe)
- **FY 2020 Q2 Forecast**: $4.57 Billion (80.6% State Operating, 19.4% State Paid Fringe)
- **FY 2021 Budget Pre-COVID**: $4.77 Billion (81.4% State Operating, 18.6% State Paid Fringe)

Strong revenue growth has allowed for salary increases and other rising costs.
Government Orders on COVID-19

SHIFTING TO REMOTE STATUS

Many Unknowns:

State Funding

• $0 appropriation for Q1; Q2-Q4 not until September
• Allocation of Governor’s Emergency Education Relief (GEER) Fund
• Allocation of other CARES funds
• Impact on other missions (e.g. NJAES/Extension funding)

Enrollment

• Impact from mode of opening on academic programs, housing, dining, parking, and student services
Government Orders on COVID-19

SHIFTING TO REMOTE STATUS

Many Unknowns:

Clinical Services
• Ramp-up of elective clinical visits and procedures/surgeries
• Impact of telemedicine

Research
• Ramp-up of laboratories, backlog of grant applications, bridge funding

Athletics
• How and when games are played (Conference, NCAA, State Orders)
• Spectators for football and basketball?
Key Challenge

How does RUTGERS remain ACCESSIBLE AFFORDABLE HIGH QUALITY with a great ROI?
Government Orders on COVID-19

UNIVERSITY PLANNING WAS SHIFTING

FY 2020

• Hiring freeze, voluntary salary reductions, limits on salary increases; moratorium on discretionary spending and travel; “hibernation” of buildings to limit spending; pursuing other HR actions; halting capital project planning
• Use of large amount of reserves to address shortfall

FY 2021

• Modeling various scenarios for opening including remote and hybrid
• Continuing spending limits
• Addressing concerns about incoming classes, retention, international student enrollments
• Planning for uncertainty about New Jersey State Appropriations
• Holding tuition and fees flat for undergraduate and most graduate programs
• Plan to refine budget projections throughout the summer
FY 2021 Revenue Reality has Changed Significantly

June Year-End FY19 = $4.43 billion
December Q2 Forecast FY20 = $4.57 billion (+$145.8M)
March Pre-COVID Est FY21 = $4.77 billion (+$197.2M)
NOW FY21 = $4.32 billion (-$447.8M)

$447.8 M Reduction in < 1 year

SHRINKING
FY 2021 Budget — Less Anticipated Revenue than Prior Two Years

$4.32 Billion

- Patient Care, $936.6
- Federal and State Student Aid, $273.0
- Grants and Contracts, $647.8
- Auxiliary Enterprises, $102.8
- Gifts & Endowments, $95.1
- State Appropriations, $437.0
- State Paid Fringe Benefits, $431.0
- Student Tuition and Fees, $1,284.8
- Other, $112.4

($ in millions)
<table>
<thead>
<tr>
<th>Revenue (Sources of Funds)</th>
<th>FY19 Actual</th>
<th>FY20 Q2 Forecast</th>
<th>FY21 Budget</th>
<th>FY21 B vs FY19 A</th>
<th>FY21 B vs FY20 F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Tuition and Fees</td>
<td>1,303,665</td>
<td>1,344,343</td>
<td>1,284,807</td>
<td>(18,858)</td>
<td>(59,536)</td>
</tr>
<tr>
<td>Federal and State Student Aid</td>
<td>224,979</td>
<td>225,700</td>
<td>265,710</td>
<td>40,731</td>
<td>40,010</td>
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<tr>
<td>Federal Appropriation</td>
<td>7,061</td>
<td>7,052</td>
<td>7,324</td>
<td>263</td>
<td>272</td>
</tr>
<tr>
<td>Allocated University Support</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(0)</td>
<td>0</td>
</tr>
<tr>
<td>NJ State Appropriations</td>
<td>435,790</td>
<td>438,723</td>
<td>437,032</td>
<td>1,242</td>
<td>(1,691)</td>
</tr>
<tr>
<td>State Paid Fringe</td>
<td>443,841</td>
<td>447,196</td>
<td>431,008</td>
<td>(12,833)</td>
<td>(16,188)</td>
</tr>
<tr>
<td>Grants and Contracts</td>
<td>470,818</td>
<td>509,067</td>
<td>528,965</td>
<td>58,147</td>
<td>19,898</td>
</tr>
<tr>
<td>Facilities and Administrative Recoveries</td>
<td>111,024</td>
<td>114,769</td>
<td>118,816</td>
<td>7,792</td>
<td>4,047</td>
</tr>
<tr>
<td>Gift and Contribution Revenue</td>
<td>50,408</td>
<td>45,147</td>
<td>38,104</td>
<td>(12,304)</td>
<td>(7,043)</td>
</tr>
<tr>
<td>Endowment and Investment Income</td>
<td>53,734</td>
<td>63,652</td>
<td>57,051</td>
<td>3,317</td>
<td>(6,601)</td>
</tr>
<tr>
<td>Healthcare Revenue</td>
<td>563,545</td>
<td>598,203</td>
<td>526,582</td>
<td>(36,963)</td>
<td>(71,621)</td>
</tr>
<tr>
<td>Affiliated and Housestaff</td>
<td>310,173</td>
<td>337,491</td>
<td>410,019</td>
<td>99,846</td>
<td>72,528</td>
</tr>
<tr>
<td>Other Sources Revenue</td>
<td>141,524</td>
<td>127,739</td>
<td>112,280</td>
<td>(29,244)</td>
<td>(15,459)</td>
</tr>
<tr>
<td>Auxiliary Revenue</td>
<td>308,805</td>
<td>312,095</td>
<td>102,807</td>
<td>(205,998)</td>
<td>(209,288)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>4,425,368</strong></td>
<td><strong>4,571,177</strong></td>
<td><strong>4,320,505</strong></td>
<td><strong>(104,863)</strong></td>
<td><strong>(250,672)</strong></td>
</tr>
</tbody>
</table>
### FY 2021 Budget Development to Approved Budget, cont.

#### Dollars in thousands

<table>
<thead>
<tr>
<th>Expense (Uses of Funds)</th>
<th>FY19 Actual</th>
<th>FY20 Q2 Forecast</th>
<th>FY21 Budget</th>
<th>FY21 B vs FY19 A</th>
<th>FY21 B vs FY20 F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>2,144,602</td>
<td>2,254,690</td>
<td>2,194,421</td>
<td>(49,819)</td>
<td>60,269</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>661,259</td>
<td>687,503</td>
<td>691,448</td>
<td>(30,189)</td>
<td>(3,945)</td>
</tr>
<tr>
<td><strong>Total Compensation</strong></td>
<td>2,805,861</td>
<td>2,942,193</td>
<td>2,885,869</td>
<td>(80,008)</td>
<td>56,324</td>
</tr>
<tr>
<td>Supplies and Other</td>
<td>252,841</td>
<td>253,467</td>
<td>249,984</td>
<td>2,857</td>
<td>3,483</td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
<td>416,859</td>
<td>425,246</td>
<td>455,943</td>
<td>(39,084)</td>
<td>(30,697)</td>
</tr>
<tr>
<td>Travel</td>
<td>49,280</td>
<td>46,475</td>
<td>36,328</td>
<td>12,952</td>
<td>10,147</td>
</tr>
<tr>
<td>Plant Operation and Maintenance</td>
<td>140,609</td>
<td>134,143</td>
<td>122,931</td>
<td>17,678</td>
<td>11,212</td>
</tr>
<tr>
<td>Debt Service - Principal and Interest</td>
<td>170,655</td>
<td>171,700</td>
<td>182,317</td>
<td>(11,662)</td>
<td>(10,617)</td>
</tr>
<tr>
<td>Other Operating Expense</td>
<td>225,972</td>
<td>275,400</td>
<td>250,939</td>
<td>(24,967)</td>
<td>24,461</td>
</tr>
<tr>
<td>Professional Services</td>
<td>313,665</td>
<td>293,487</td>
<td>269,675</td>
<td>43,990</td>
<td>23,812</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>4,375,743</td>
<td>4,542,111</td>
<td>4,453,986</td>
<td>(78,243)</td>
<td>88,125</td>
</tr>
</tbody>
</table>

| Surplus/(Deficit) before Transfers      | 49,626      | 29,066          | (133,481)   | (183,107)        | (162,547)        |
| Transfers                               | (0)         | 0               | 0           | 0                | 0                |
| Cost Pool Transfers                     | 0           | 0               | 0           | 0                | 0                |
| **Change in Fund Balance**              | 49,626      | 29,066          | (133,481)   | (183,107)        | (162,547)        |

*Margin* 1.1% 0.6% (3.1%)

**Other Transfers**

| Plant Fund and Non Operating Transfers  | (38,937)    | (35,705)        | 5,423       | 44,360           | 41,128           |
| Use of Prior Year Net Assets            | 0           | 20,989          | 31,003      | 31,003           | 10,014           |
| **Change in Fund Balance Operations**  | 10,689      | 14,350          | (97,055)    | (107,744)        | (111,405)        |

*Margin* 0.2% 0.3% (2.2%)
### FY2021 Budget 2.0 Proposed

<table>
<thead>
<tr>
<th></th>
<th>New Brunswick</th>
<th>Newark</th>
<th>Camden</th>
<th>RBHS</th>
<th>Central</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>1,450,434</td>
<td>412,453</td>
<td>182,103</td>
<td>1,863,294</td>
<td>412,223</td>
<td>4,320,507</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>1,262,574</td>
<td>343,690</td>
<td>170,537</td>
<td>1,655,508</td>
<td>1,021,676</td>
<td>4,453,985</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit) before Transfers</strong></td>
<td>187,860</td>
<td>68,763</td>
<td>11,566</td>
<td>207,786</td>
<td>(609,453)</td>
<td>(133,478)</td>
</tr>
<tr>
<td><strong>Transfers</strong></td>
<td>14,212</td>
<td>2,629</td>
<td>1,340</td>
<td>(2,102)</td>
<td>(16,079)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cost Pool Transfers</strong></td>
<td>(269,284)</td>
<td>(88,322)</td>
<td>(41,480)</td>
<td>(228,548)</td>
<td>627,634</td>
<td>-</td>
</tr>
<tr>
<td><strong>Change in Fund Balance</strong></td>
<td>(67,212)</td>
<td>(16,930)</td>
<td>(28,574)</td>
<td>(22,864)</td>
<td>2,102</td>
<td>(133,478)</td>
</tr>
<tr>
<td><strong>Margin</strong></td>
<td>(4.63%)</td>
<td>(4.10%)</td>
<td>(15.69%)</td>
<td>(1.23%)</td>
<td>0.51%</td>
<td>(3.09%)</td>
</tr>
<tr>
<td><strong>Other Transfers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Plant Fund &amp; Non Operating Transfers</strong></td>
<td>18,271</td>
<td>-</td>
<td>(185)</td>
<td>(4,600)</td>
<td>(8,063)</td>
<td>5,423</td>
</tr>
<tr>
<td><strong>Use of Prior Year Net Assets</strong></td>
<td>11,407</td>
<td>5,233</td>
<td>384</td>
<td>5,153</td>
<td>8,825</td>
<td>31,002</td>
</tr>
<tr>
<td><strong>Change in Fund Balance Operations</strong></td>
<td>(37,534)</td>
<td>(11,697)</td>
<td>(28,375)</td>
<td>(22,311)</td>
<td>2,864</td>
<td>(97,053)</td>
</tr>
<tr>
<td><strong>Margin</strong></td>
<td>(2.59%)</td>
<td>(2.84%)</td>
<td>(15.58%)</td>
<td>(1.20%)</td>
<td>0.69%</td>
<td>(2.25%)</td>
</tr>
</tbody>
</table>

*Operating funds budgeted for capital items such as deferred maintenance, renovations and construction
**Prior year funds set aside for one-time strategic initiatives
# Stimulus Funding – Does Not Address Revenue Budget Shortfalls

<table>
<thead>
<tr>
<th>CARES</th>
<th>GEER *</th>
<th>CRF *</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tranche 1:</strong> Must be used for direct financial aid support for students in need.</td>
<td><strong>Governor’s Emergency Education Relief Funding</strong></td>
<td><strong>Coronavirus Relief Funding</strong></td>
</tr>
<tr>
<td><strong>Tranche 2:</strong> Will support – Financial aid for students, student services and technology support for remote students and support for health and mental health needs of students. Approximately $7.7 million has provided budget relief in FY 2020.</td>
<td>Support for:</td>
<td><strong>Support for:</strong></td>
</tr>
<tr>
<td></td>
<td>a. Financial Aid for Students</td>
<td>a. Offsetting additional costs for Personal Protective Equipment</td>
</tr>
<tr>
<td></td>
<td>b. Enhance student services</td>
<td>b. Costs for coronavirus leave</td>
</tr>
<tr>
<td></td>
<td>c. Offsetting additional cost incurred due to the pandemic related to safety measures at each campus</td>
<td>c. Cost for remote learning equipment and equipment purchased for remote work</td>
</tr>
</tbody>
</table>

*OSHE has not approved all budgets yet, still in application phase.*
FY 2021 Revenue Reality – New Brunswick

June Year-End FY19 = $1.66 billion
December Q2 Forecast FY20 = $1.69 billion (+$28.4M)
March Pre-COVID Est. FY21 = $1.71 billion (+$25.5M)
NOW FY21 = $1.45 billion (-$263.6M)

~$263.6 M Reduction in < 1 year

Major Revenue Categories Impacted by the Health Crisis*

- Tuition and Fee Revenues: -$59.8M
- Auxiliary Revenues: -$183.0M

*FY21 Budget v FY20 Q2 Forecast
FY 2021 Revenue Reality – Newark

June Year-End FY19 = $415.9 million
December Q2 Forecast FY20 = $435.7 million (+$19.8M)
March Pre-COVID Est. FY21 = $445.9 million (+$10.2M)
NOW FY21 = $412.5 million (-$33.4M)

~$33.4 M Reduction in < 1 year

Major Revenue Categories Impacted by the Health Crisis*

<table>
<thead>
<tr>
<th>Tuition and Fee Revenues</th>
<th>Auxiliary Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>-$15.0M</td>
<td>-$14.4M</td>
</tr>
</tbody>
</table>

*FY21 Budget v FY20 Q2 Forecast

SHRINKING
June Year-End FY19 = $178.9 million
December Q2 Forecast FY20 = $184.5 million (+$5.6M)
March Pre-COVID Est. FY21 = $191.6 million (+$7.1M)
NOW FY21 = $182.1 million (-$9.5M)

FY 2021 Revenue Reality – Camden

~$9.5 M Reduction in < 1 year

Major Revenue Categories Impacted by the Health Crisis*

<table>
<thead>
<tr>
<th>Tuition and Fee Revenues</th>
<th>Auxiliary Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>-$3.2M</td>
<td>-$7.9M</td>
</tr>
</tbody>
</table>

*FY21 Budget v FY20 Q2 Forecast
FY 2021 Revenue Reality – RBHS

June Year-End FY19 = $1.73 billion
December Q2 Forecast FY20 = $1.85 billion (+$112.0M)
March Pre-COVID Est. FY21 = $1.99 billion (+$142.9M)
NOW FY21 = $1.86 billion (-$125.6M)

~$125.6 M Reduction in < 1 year

Major Revenue Categories Impacted by the Health Crisis*

<table>
<thead>
<tr>
<th>Auxiliary Revenues</th>
<th>Healthcare Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>-$3.9M</td>
<td>-$70.9M</td>
</tr>
</tbody>
</table>

*FY21 Budget v FY20 Q2 Forecast
$4.32B Revenue Budget – Less Anticipated Revenue than Prior Two Years

Major Revenue Categories Impacted by the Health Crisis**

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2019 Actual</th>
<th>FY 2020 Estimate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and Fee Revenues</td>
<td>-$59.5M</td>
<td></td>
</tr>
<tr>
<td>Healthcare Revenues</td>
<td>-$71.6M</td>
<td></td>
</tr>
<tr>
<td>Auxiliary Revenues</td>
<td>-$209.3M</td>
<td></td>
</tr>
</tbody>
</table>

*Subject to change based on audit adjustments.

**FY21 Budget v FY20 Q2 Forecast
HOW DO WE Maintain Our Great Outcomes?

When the world is quickly changing?

- Accessible
- Affordable
- High Quality
- Great ROI
STRATEGIES TO MAINTAIN Our Great Outcomes!

- Review and Streamline Processes
- Implement Cost Containment Measures
- Review Tuition and Fee Strategy

<table>
<thead>
<tr>
<th>Revenues</th>
<th>$4.32B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses</td>
<td>$4.45B</td>
</tr>
<tr>
<td>Transfers</td>
<td>$36.4M</td>
</tr>
<tr>
<td>BUDGET GAP</td>
<td>-$97.1M</td>
</tr>
</tbody>
</table>
Fund Sources: Multi-Faceted Approach
Pieces need to come together – Requires **ALL** of Rutgers working together
Rutgers’ Strategy — FY 2022

All options have to be on the table...

• Diversification of Revenue Streams
• Tuition Pricing Strategy
• Student Enrollment and Retention
• Advocate for Continued State Support
• Research and Philanthropy Activities
• Examine expenditures base

Higher education is integral to driving economic growth.
IMPLEMENT Additional Cost Control & Efficiencies

Together, we will face these fiscal challenges and make our University more vibrant and stronger.

We are in this together and need your help – share with us your ideas on cost control measures and efficiencies:

rutgersideas@finance.rutgers.edu
Rutgers University…

...is an Amazing University –
transforming students’ lives everyday

...has Faced Headwinds before –
 together we will meet the challenge

...fosters Open Communication/Collaboration –
in pursuit of excellence in education
Saving for Our Future:
Managing Discretionary Spending

Ernie DiSandro
Associate Vice President and University Controller

Nimish Patel
Associate Vice President for Procurement and Chief Procurement Officer

Ruth Philo
Chief Audit Executive
Discretionary Spend Management

OVERVIEW

Spend Overview
• Universitywide procurement spend for goods and services = $2.2B (FY20)
• Discretionary spend = ~$1B

Objective – Bend the Spend Curve
• Develop a comprehensive spend control approach in collaboration with management
• Conducted detailed analysis of spend profiles, control environments, and current practices
• Identified several areas for improvement, including:
  • 25K check requests representing $160M+ include a significant number of invoices without purchase orders (i.e., no prior formal approval)
  • $100M in quick orders and non-catalog orders with limited oversight by department and University Procurement Services (UPS)
  • Multiple lost opportunities to leverage university contracts

A holistic and scalable macro-level approach that will incorporate inputs from business offices and is expected to evolve over time.
Creating Value at Scale Requires a Holistic Approach

**Purchasing Plans**
- Plans Built
  - Acquisition
  - Assets, materials, services
  - Contract renewals
  - Competitive landscape
  - Plans inform priority questions for engine to address
  - Insights from engine can be used to refine plans

**DSM (Decision Engine)**
- Data
  - Universitywide contracts
  - Existing contracts
  - Analysis
  - Bidding
  - Cross-unit contracts
  - Leverage partnerships
  - Data-driven decisions
  - Escalation
  - Mission-driven, options assessed

**Insights**
- System-wide Insights
  - Data-driven understanding
  - Universitywide trends
  - Cost curve trends
- Behavioral Insights
  - Units’ insights
  - Unit/Dept. trends
  - Behavioral patterns

**Stakeholders**
- Senior Leadership Team
  - Universitywide view
- Administrative Council
  - School/Unit view
  - Lost opportunities
  - Areas of improvement
- Business Managers
  - School/Unit view
  - Lost opportunities
  - Areas of improvement
  - Training / Refreshers

Mobilized an agile UFA team to develop the framework. Group to be expanded with Chancellor and other Finance representation.
Framework

FOUR PILLARS OF FOCUS

Guidance & Reminders
• Guidance and Definitions
• Procurement Policy Reminders

Approval & Escalation
• Department / UPS Approval
• Discretionary Spend and Chief Business Office Approval
• Tighten Up Operations

Data Analysis & Reporting
• Campus and Unit Dashboards and Reports
• Continuous Monitoring

Communication & Review
• Universitywide Communication
• Webinars
• Training
FY20 Purchase Order Spend Analysis

<table>
<thead>
<tr>
<th>TYPE</th>
<th>DESCRIPTION</th>
<th>OVERSIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quick Order</td>
<td>orders for goods under $10,000</td>
<td>No UPS oversight</td>
</tr>
<tr>
<td>Punch-Out</td>
<td>orders from supplier catalogs</td>
<td>No UPS oversight</td>
</tr>
<tr>
<td>Check Request</td>
<td>non-sourceable 95%, sourceable 5%</td>
<td>UPS oversight</td>
</tr>
<tr>
<td>Non-Catalog</td>
<td>orders for goods over $10K</td>
<td>UPS oversight</td>
</tr>
<tr>
<td>Standing Order</td>
<td>orders for blanket orders and services</td>
<td>UPS oversight</td>
</tr>
<tr>
<td>Internal Purchase Order (IPO)</td>
<td>internal purchases</td>
<td>No UPS oversight</td>
</tr>
<tr>
<td>Sub-Award</td>
<td>sub-award orders</td>
<td>No UPS oversight</td>
</tr>
</tbody>
</table>

Requisition by Form Type

<table>
<thead>
<tr>
<th>ALL PO</th>
<th>• $2.25B (100%)</th>
<th>• 220K PO (100%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quick Order</td>
<td>• $53M (2%)</td>
<td>• 57K PO (26%)</td>
</tr>
<tr>
<td></td>
<td>Punch-Out</td>
<td>$40M (2%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>68K PO (31%)</td>
</tr>
<tr>
<td>Check Request</td>
<td>• $1.2B (53%)</td>
<td>• $77M (3%)</td>
</tr>
<tr>
<td></td>
<td>Non-Catalog</td>
<td>7K PO (3%)</td>
</tr>
<tr>
<td>Standing Order</td>
<td>• $785M (36%)</td>
<td>• $63M (3%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30K PO (14%)</td>
</tr>
<tr>
<td>IPO</td>
<td>• $55M (2%)</td>
<td>• 500 PO (1%)</td>
</tr>
</tbody>
</table>

Punch-Out, $53, 2%
Quick Order, $40, 2%
IPO, $63, 3%
Non Catalog, $77, 3%
Standing Order, $785, 35%
Check Req, $1,200, 53%
In-Scope Criteria – Low volume for additional approval, but high dollar impact

- **Exclude** requisitions for endowment, grants, gift, cap projects (Project codes 5,6,7,8)
- **Include** requisitions for expense, internal purchase order natural accounts (Natural Account codes 5,6,7)
- **Approve** requisitions $5,000 and above by Discretionary Spend approvers.

<table>
<thead>
<tr>
<th>All PO</th>
<th>PO (In Scope)</th>
<th>PO In Scope, $5K+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$980M (44%)</td>
<td>$873M (39%)</td>
</tr>
<tr>
<td></td>
<td>157K (71%)</td>
<td>15K (7%)</td>
</tr>
</tbody>
</table>

- 10% of in-scope volume
- 90% of in-scope dollar spend

<table>
<thead>
<tr>
<th>PO In Scope, $5K+</th>
<th>$ Impact</th>
<th>Monthly Avg PO Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Camden</td>
<td>$11M</td>
<td>35</td>
</tr>
<tr>
<td>Newark</td>
<td>$26M</td>
<td>88</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>$102M</td>
<td>305</td>
</tr>
<tr>
<td>Athletics</td>
<td>$36M</td>
<td>75</td>
</tr>
<tr>
<td>RBHS</td>
<td>$328M</td>
<td>260</td>
</tr>
<tr>
<td>Central Units</td>
<td>$370M</td>
<td>451</td>
</tr>
</tbody>
</table>

Non-Discretionary Spend, e.g. Grants, Endowments, Capital, etc.
## RU Marketplace Requisition Approval

<table>
<thead>
<tr>
<th>FY20</th>
<th>Requisition Type</th>
<th>Department Approval</th>
<th>UPS Purchasing Approval</th>
<th>UPS AP Approval</th>
<th>IPO Approval</th>
<th>Sub-Award Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.2B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$53M</td>
<td>Quick Orders</td>
<td>Dept. Approval</td>
<td>DS Approval</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>57K PO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$40M</td>
<td>Punch-out Orders</td>
<td>Dept. Approval</td>
<td>DS Approval</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>68K PO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1.2B</td>
<td>Check Requests</td>
<td>Dept. Approval</td>
<td>DS Approval</td>
<td></td>
<td></td>
<td>AP Approval</td>
</tr>
<tr>
<td>37K PO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$77M</td>
<td>Non-Catalog Orders</td>
<td>Dept. Approval</td>
<td>DS Approval</td>
<td>Cat. Analyst Up to $25K</td>
<td>Sr. Buyer Up to $50K</td>
<td>Supervisor Up to $150K</td>
</tr>
<tr>
<td>7K PO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$785M</td>
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<td>DS Approval</td>
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</tr>
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<td></td>
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<tr>
<td>$63M</td>
<td>IPO Orders</td>
<td>Dept. Approval</td>
<td>DS Approval</td>
<td></td>
<td></td>
<td>IPO Approval</td>
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<tr>
<td>20K PO</td>
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<td></td>
</tr>
<tr>
<td>$55M</td>
<td>Sub-Award Request</td>
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<td></td>
<td></td>
<td></td>
<td>Sub-A. Approval</td>
</tr>
<tr>
<td>500 PO</td>
<td></td>
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</tr>
</tbody>
</table>

RU Marketplace requisition approval with additional oversight
**Phased Communications**

1 – INITIAL ROLLOUT / SOON AFTER

- Message from Chief Financial Officer
- Updated University Procurement Services site
- Discretionary spending guidance, quick reference guide, policy reminder, core deck
- “How RU Saving?” stories
- Monthly updates/tips
- Information sessions by Chancellor area/central unit

2 – SUBSEQUENT MONTHS

- Dashboards, reports and continuous monitoring
- Monthly updates/tips
- “How RU Saving?” stories
Timeline

1. Discretionary spend framework established ✔
2. Presentation to senior leadership, Vice Chancellors, Administrative Council ✔
3. Guidance document, policy reminder developed ✔
4. Discretionary spend approvers nominated by Vice Chancellors (89 people) ✔
5. Message from the Chief Financial Officer
6. Discretionary spend education sessions
7. RU Marketplace training for discretionary spend approver
8. Discretionary spend approver set up in RU Marketplace
9. Campus and unit business intelligence (v1.0)
10. Monitoring, communication, enhancements (on-going)

Targeted launch by November 1

Detailed data analysis at Rutgers and campus levels to design the framework
Cornerstone

PORTFOLIO UPDATE

John V. Fahey
Associate Vice President, Project Management Office Executive
Cornerstone Portfolio Update

Human Resources/Payroll

Oracle Human Capital Management Implementation

- Project will span multiple phases, expected duration two years to complete
- Project planning and due diligence started May 2020, formal project kick off delayed to winter 2020 (schedule TBD)

Chart of Accounts Optimization Phase 2

- Further optimization and updates to Chart of Accounts
- Design and planning phase started December 2019
- Project formally kicked off October 2020
- Project will span multiple phases, expected duration two years to complete
Student Information System

- Project will span multiple phases, expected duration 4-5 years to complete full project scope
- System selection completed (Oracle)
- System implementation partner selection completed (Sierra Cedar)
- Phase 1 - Student Financial Planning implementation kicked off June 2020. Expected launch date for Release 1 scheduled for October 2021 for beginning of cycle for aid year 2022-2023. Project will have seven releases throughout cycle and expect to be fully completed by September 2021
- Phase 2 - Student Management Cloud – Business Process Review phase expected to start first quarter of 2021 with implementation to follow.
Constituent Relationship Management (CRM)

*Project will span multiple phases, expected duration 4-5 years to complete full project scope*

**Enrollment Management**

**One Stop Shops – New Case Management System**
- New Brunswick completed Sep. 2020, remaining campuses to be completed by Feb. 2021

**Marketing Cloud**
- Launched with Mason Gross School of Arts in Oct. 2020, schedule for additional units in progress

**Rutgers Foundation/Alumni and Athletics**
- Plan and architect in progress, scheduled to complete in fall 2021, implementation to follow (schedule and go live TBD)

**Research Administration and Corporate Engagement**
- Plan and architect phase scheduled to being late 2021
Cornerstone
Portfolio
Update

Procurement

Travel Agency Program
- Project RFP process and award in progress. Project planning, kick-off and schedule TBD

Expense Management system
- Project RFP process and award in progress
- Kick-off and implementation to follow Travel Agency program completion (schedule TBD)

Lease Administration System (GASB87)
- Implementation of new lease management and accounting system
- Project in progress, scheduled completion Mar. 2021
Cornerstone Portfolio Update

Payment Services Migration (replacement of ScholarChip system)

- Kicked off Mar. 2020
- Interim solution to provide business continuity completed Jul. 2020
- Long-term solution implementation in progress, scheduled to be completed spring 2021

Oracle Enterprise Data Management Cloud Service

- Implementation to start in fall 2020 in conjunction with Chart of Accounts Phase 2 project, final timelines and schedules TBD

Oracle Analytics Cloud

- New reporting and analytics platform
- Implementation to start in winter 2020, final schedule TBD
Questions?

Please share your questions in the Q&A section.
Thank You!